
Fund Structure and Projected Fund Balances

The District organizes and accounts for its financial operations by fund, account group, and component unit. The three major fund types are governmental funds, fiduciary funds, and proprietary funds. In addition to these three fund types, the District has five component units.

The following list details the District's governmental funds, used to account for all of the District's general activities:

- **General Fund**, the District's primary operating fund, accounts for all financial resources not accounted for in other, federal and private funds. The budgetary basis of the General Fund includes the University of the District of Columbia, treated as a component unit for accounting purposes. A discussion of the General Fund financial plan and its revenue, expenditures, and fund balance is located in the Financial Plan Chapter 3, and a summary is included in table I-1 at the end of this section.
- **Federal and Private Resources Fund**, which used to be included in the General Fund category, was separated for FY 2002. This account includes funding from sources such as federal grants, federal payments for emergency preparedness and other purposes, and private sources.
- **Special Revenue Funds** account for specific revenue that is legally restricted to expenditures for particular purposes. The District

currently has two such funds:

- The *Tobacco Settlement Financing Program* accounts for activities relating to the tobacco litigation settlement.
- The *Tax Increment Financing Program* accounts for activities relating to tax increment financing development initiatives.
- **Capital Projects Funds** account for the purchase or construction of fixed assets entirely or partly financed by capital grants, dedicated taxes or general long-term debt other than those financed completely by an individual fund or unit. Two funds comprise the Capital Projects Funds:
 - The *General Capital Improvements Fund* accounts for all capital projects activity not in the Highway Trust Fund.
 - The *Highway Trust Fund* accounts for capital projects financed entirely or partly by transfers of taxes, fees, capital grants, and other revenue that is dedicated to highway projects.

Detailed discussion of the Capital Improvements Plan Fund and budget request are located in the Capital Improvements Plan chapter of this volume and in the Capital Appendices volume, and details on the Highway Trust Fund are in that volume. A summary of the financial plans and projected fund balances is included in table I-1 at the end of this section.

The District's fiduciary funds account for assets held by the District in a trustee capacity or as an agent for private entities, other governments and/or other District funds. The District's fiduciary funds are:

- **Pension Trust Funds**, which account for resources used for retirement annuity payments for police officers, firefighters, public school teachers and their survivors. The funds are administered by a thirteen-member Retirement Board.
- **Agency funds**, which account for refundable deposits required of various licenses, monies held in escrow, and other assets held by the District in a purely custodial capacity. The funds are administered by various District agencies.

The District has two proprietary funds:

- **Unemployment Compensation Trust Fund**, which accounts for funds used to pay benefits to unemployed former employees of the District, federal government, and private employers within the District. The fund is administered by the Department of Employment Services.
- **Lottery and Games Fund**, which not only operates and is financed like a private business where net income is key to sound management, but also can finance the costs of its goods and services provided to the public on a continuing basis primarily through user charges. The Lottery accounts for revenue from lotteries and daily numbers games all operated by the District and from licenses to conduct charitable games. The Lottery exists solely to transfer its profits to help finance the General Fund. A discussion of the fund financial plan and budget request is in Section H, Enterprise and Other Funds.

The District also has five component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable. The Mayor appoints the voting majority of their governing bodies. Section H, Enterprise and Other Funds, contains a discussion of the individual unit budget

requests for all but the university unit. The University budget request financial plan is in Section D, Public Education System. The five component units are:

- **Water and Sewer Unit**, which accounts for the provision of water and sewer services to the District, and specific counties in Maryland and northern Virginia. Of the eleven-member governing board of the Water and Sewer Authority (WASA), six are appointed by the Mayor with the consent of the Council and five are appointed by the Mayor upon recommendations from the other participating jurisdictions. WASA is responsible for repayment of a portion of the District's outstanding general obligation bonds (issued for water and sewer capital projects prior to WASA's creation).
- **Convention Center Unit**, which accounts for maintaining and operating the Washington Convention Center for local public shows, civic events, and other activities. Nine directors govern the Convention Center: the Chief Financial Officer of the District, the Deputy Mayor for Economic Development, and seven appointed by the Mayor with the consent of the Council.
- **Sports Commission Unit**, which accounts for maintaining and operating the National Guard Armory for nonmilitary events and the Robert F. Kennedy Memorial Stadium and promoting the District as a sporting event site. The eleven-member governing body consists of the Chief Financial Officer of the District, the Director of the Department of Recreation and Parks, a District government official appointed by the Mayor, and eight directors appointed by the Mayor with Council consent.
- **Housing Finance Unit**, which accounts for cash received from public and private sources used to alleviate the shortage of housing through a greater supply of and less expensive mortgage and construction loans. The Unit comprises five funds: General, Multi-Unit Housing Finance

Corporation, Single-Family Program, and D.C. Building Finance Corporation. A budget is prepared for only the General Fund. The five-member governing body is appointed by the Mayor with the consent of the Council.

- **University Unit**, which accounts for resources received and used by the University of the District of Columbia. The unit contains four separate funds groups: Current Funds, Loan Fund, Endowment Fund, and Plant Funds. A budget, included in the General Fund budget, is prepared for only the Current Funds. A fifteen-member Board of Trustees governs the University. Eleven members are appointed by the Mayor with Council consent, one is a full-time student, and three members are appointed by the alumni association.

Table I-1 shows the FY 2003 revised estimates and FY 2004 projected financial plans, fund balances, and changes in fund balances for each governmental fund (except the special revenue funds), proprietary fund and component unit. To the extent possible, the estimates use the accounting bases appropriate to each fund. For the units except the University Current Funds, those bases differ from the budget bases by including depreciation expense, not principal repayments and capital expenditures. The Convention Center FY 2004 budgeted expenses are subject to change pending board approval. In addition, the University Unit estimates, reflecting only the University Current Funds, are also included in the General Fund. The Housing Finance Unit reflects only that unit's General Fund exclusive of federal grant pass-throughs. The financial plan for the Water and Sewer Unit is on a cash basis, not the proprietary fund basis used for the other component units.

Table I-1:

The District's Governmental Funds, Proprietary Funds, and Component Units

	Governmental Funds				Proprietary Funds		Component Units				
	Operating Funds		Capital Proj Fund								
	General Fund	Federal and Private Resources Fund	General Capital Improvement Fund	Highway Trust Fund	Lottery and Games Fund	Unemployment Compensation Fund	Water and Sewer Authority	Washington Convention Center	Sports and Entertainment Commission	Housing Finance Agency	University of the District of Columbia
Balance, October 1, 2001, per 2001 CAFR	562,245	0	(57,943)	54,444	3,374	303,604	721,035	272,748	22,528	59,404	71,730
Restatement per GASB 34	303,307	0	14,722	0	0	(13,801)	0	0	0	0	(380)
Establishment of Federal and Private Resources Fund	(27,679)	27,679	0	0	0	0	0	0	0	0	0
Balance, October 1, 2001, restated, per 2002 CAFR	837,873	27,679	(43,221)	54,444	3,374	289,803	721,035	272,748	22,528	59,404	71,350
Revenues	3,666,604	1,978,440	214,767	21,779	211,151	122,305	248,729	9,071	7,501	59,029	37,734
Transfers in and other sources	135,525	13,181	267,954	38,348	630	50,296	25,654	54,118	2,177	30,511	51,589
Expenditures	(3,668,559)	(1,783,501)	(814,129)	(48,586)	(148,670)	(191,043)	(209,085)	(20,602)	(11,646)	(53,916)	(83,722)
Transfers out and other uses	(106,115)	0	(14,901)	0	(63,000)	0	(31,567)	(6,060)	(42)	(19,369)	0
Balance, September 30, 2002, per 2002 CAFR	865,328	235,799	(389,530)	65,985	3,485	271,361	754,766	309,275	20,518	75,659	76,951
Revenues	3,752,255	1,745,498	n/a	536	232,881	105,513	256,851	77,667	13,823	8,681	93,296
Transfers in and other sources	68,600	0	n/a	28,960	0	45,762	0	0	0	28,434	0
Expenditures	(3,819,755)	(1,745,498)	n/a	(35,916)	(232,881)	(181,490)	(243,717)	(55,457)	(13,751)	(5,797)	(93,296)
Transfers out and other uses	(62,542)	0	n/a	0	0	(8,060)	(38,348)	0	0	0	0
Projected Balance, September 30, 2003	803,886	235,799	n/a	59,565	3,485	233,086	729,552	331,485	20,590	31,318	76,951
Revenues	3,907,584	1,596,532	n/a	364	242,800	123,360	267,533	72,214	12,111	n/a	87,614
Transfers in and other sources	70,200	0	n/a	29,845	0	20,165	0	0	0	n/a	0
Expenditures	(3,975,984)	(1,596,532)	n/a	(46,014)	(242,800)	(147,938)	(257,426)	(60,483)	(13,768)	n/a	87,614
Transfers out and other uses	(28,560)	0	n/a	0	0	(6,000)	(6,958)	0	0	n/a	0
Projected Balance, September 30, 2004	777,126	235,799	n/a	43,760	3,485	222,673	732,701	343,216	18,933	n/a	76,951